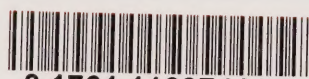


RESEARCH HIGHLIGHTS

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RESIDENTIAL INTENSIFICATION CASE STUDIES:
MUNICIPAL INITIATIVES**Introduction**

For the last 50 years, development patterns in Canada have emphasized building out onto greenfield lands at the urban edge at a rate that has outstripped the rate of population growth. This development pattern has resulted in the loss of farmland and natural areas, rising car dependency and traffic congestion. Moreover, many municipalities lack the resources to pay for the infrastructure needed to support expansion into greenfield areas.

One of the ways municipalities have sought to address these issues is through residential intensification, i.e., encouraging housing development in existing urban areas where infrastructure and transit services are already in place. Infill development, adaptive reuse, brownfield redevelopment, lot splitting and secondary suites are examples of intensification that can result in the following:

- Reduce infrastructure costs;
- Use land more efficiently;
- Preserve rural and natural areas outside existing urban boundaries;
- Revitalize urban areas in decline; and
- Create more transportation choice through easier access to daily destinations like work, shopping and entertainment (e.g., mixed-use, pedestrian- and transit-oriented neighbourhoods).

Despite the considerable potential benefits, intensification faces a series of practical challenges, described in Part 2 of this study on residential intensification in a separate CMHC report which presents case studies of built projects from across Canada:

- **Higher development costs**—A number of factors can increase the costs of intensification projects. According to developers interviewed for the built-project case studies, these factors include high land costs, difficulty of obtaining financing due to perceived risk, higher construction costs (e.g., paying for road closures,

crew parking, extra security, compensation to neighbouring property owners for blasting damage or overhead crane swings, higher insurance premiums, etc.) On brownfield sites, costs escalate due to the need to decontaminate the site before development can take place.

- **Neighbourhood opposition**—There is often considerable opposition to intensification projects, often relating to perceived threats to property values, incompatible building scale or character, blocking of sunlight, as well as parking and traffic problems. This barrier is likely to be most salient with respect to infill development in low-density residential areas but can affect other forms of intensification as well.
- **Regulatory issues**—For certain types of intensification (e.g., adaptive reuse of existing buildings or adding suites to existing houses) building and fire codes may pose a serious obstacle to development. Parking requirements can make intensification projects in the downtown area prohibitively expensive. Zoning bylaws often impose maximum densities that prevent higher-density infill projects.

Purpose

This study aims to profile successful examples of municipal initiatives that have helped to overcome obstacles such as these, either by removing barriers or providing positive incentives. Most importantly, they have resulted in concrete results “on the ground,” in that they have helped trigger or facilitate projects that may not have otherwise gone ahead. This study is intended to be of

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use to municipal officials and other stakeholders across the country who may be looking for mechanisms with which to encourage intensification.

Part 2 highlights examples of successful built projects from the perspective of the developers, occupants and municipal planners involved in the projects.

Approach

The report profiles 12 case studies of local initiatives that support intensification. In order to ascertain the information most needed by potential audience members, municipal officials in four locations across the country were contacted and asked for their input regarding their information needs for such a report.

The project proceeded by identifying a list of over 50 potential intensification measures through a telephone survey of about 40 Canadian municipalities. From this list, 12 measures were chosen for detailed case study. The selection attempted to strike a balance between regional representation, different urban contexts (e.g., downtown, waterfront, suburban, brownfield) and different types of intensification targeted (e.g., redevelopment, infill, adaptive reuse), while presenting innovative examples that stimulated the creation of new housing units.

The 12 initiatives are summarized in Table 1. They can be categorized as:

- regulatory
- relating to the planning process, or
- involving financial incentives.

Three studies fall in each of the first two categories and six fall into the last category.

The research team interviewed the officials most familiar with the selected initiatives. Respondents were asked to provide information on the following topics:

- policy overview and background;
- policy process;
- stakeholder response;
- financial issues;
- barriers;
- outcomes;
- overall evaluation;
- reproducibility;
- supporting documentation; and,
- contact information.

In most cases, a developer involved in one of the projects resulting from the initiative was also contacted for certain data.

Findings and conclusions

The case studies show that municipalities in partnership with local stakeholders and/or senior governments can significantly contribute to the intensification of existing urban areas using a wide variety of instruments. Although all of the case studies were successful to one degree or another, the impacts of the various measures varied according to the amount of time they have been in place, the geographic scope of the measure, the type of measure, supporting policies, and so on. Thus, the contribution of the measures to increased residential development in the targeted areas varied from several dozen units (e.g., Saskatoon, Cambridge, Winnipeg) to thousands of units (e.g., Toronto, Ottawa).

The diversity of goals, policy conditions and outcomes among the case study initiatives provide a rich vein of experience from which lessons can be mined. Needless to say, these lessons need to be interpreted and filtered in order to judge their relevance to the local circumstances of the reader.

- **Emphasize financial returns**—One feature that helped “sell” these initiatives to politicians and the general public was the fact that they were predicted to have long-term positive impacts on the financial health of the cities involved. Program expenditures by municipal governments were usually relatively low, administrative arrangements were simple and the return to the municipality in the form of increased property tax revenues was expected to be large. Most of the programs paid for themselves within a few years and then provided a net revenue stream to the municipality.

Figure 1: Angus Shops, brownfield redevelopment in Montreal. Source: CP Real Estate



- **Link intensification initiatives to other policy goals**—The initiatives achieved widespread buy-in because they were clearly linked to other important goals that enjoyed wide popular and stakeholder support. For example, in many cases, intensification was linked to downtown revitalization, efficient use of public funds for infrastructure or the retention of heritage buildings.
- **Choose effective public consultation techniques**—The case studies also revealed the importance of effective consultation techniques to achieve widespread acceptance or support for the measures. In the case of accessory suites in Guelph, for instance, the municipality used an innovative approach including visualization of outcomes in order to relieve anxieties about potential impacts. To ensure broad public support for lot splitting, Richmond put a certain amount of decision-making power in the hands of local residents by surveying their opinions before proceeding with regulatory changes. The financial measures used in six of the case studies did not require extensive public relations campaigns as they were directed towards a receptive clientele of developers and builders who would directly benefit from the incentives offered. Nonetheless, even in these cases, the initiatives were usually introduced in response to recommendations made by stakeholder task forces or other consultation mechanisms. This ensured that the target group genuinely wanted the program and that it was shaped in a way that would be of optimal use to them.
- **Work with the market**—Although these measures represent a form of government intervention in the housing market, it is clear that no measure can succeed unless it works in conjunction with larger economic forces. Thus, for example, the downtown revitalization and brownfield redevelopment measures described in this report could not have succeeded in the absence of a latent demand for housing in these areas and larger changes that contributed to the attractiveness of these areas for residential development. Thus the initiatives acted more as intensification facilitators rather than as lone triggers. Programs that attempt to force change in a market not ripe for change will likely fail.
- **Find a policy champion**—A strong, committed individual can inspire new ways of looking at things. In about half of the cases studied, a champion was identified with the adoption and successful implementation of the policy. In some cases, it was a political leader, such as a mayor or councillor (e.g., Toronto, Ottawa and Winnipeg) and in other cases, it was a city official (e.g., Calgary).
- **Keep political costs low**—Most of the initiatives profiled in this report focused on forms of intensification that were not expected to cause intense public

controversy and used policy instruments, like financial incentives, that resulted in win-win situations. Three of the initiatives (Richmond, Calgary and Guelph) involved intensification of existing low-density residential areas—usually a politically difficult proposition—but in each case, great effort was taken to ensure that public concerns would be genuinely addressed in the design of the policy and that political risks in adopting the measure would be low.

- **Create a supportive municipal policy environment**—Most of the initiatives presented in this report would likely have been less successful if they had not been implemented in a supportive municipal policy environment. Typically, this policy environment was prepared in advance through public discussions related to high-profile studies or task forces on urban problems (like the decline of a downtown or the need to provide a wider range of housing opportunities) and then translated into community plans that laid out the policy basis of the initiative and linked it to other strategic goals. Such “high-level” policy statements allowed proponents of the initiatives to advance their causes both in discussions with other stakeholders and in the public debate surrounding adoption of the initiatives. Furthermore, the initiatives described in the report were often complemented by other municipal initiatives. For example, the marketing of vacant lots in North Vancouver was facilitated by municipal investments in improving the cultural and human services in the target area, improved transit and pedestrian facilities and so on.

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Figure 2: 123 Princess St., adaptive reuse in Winnipeg

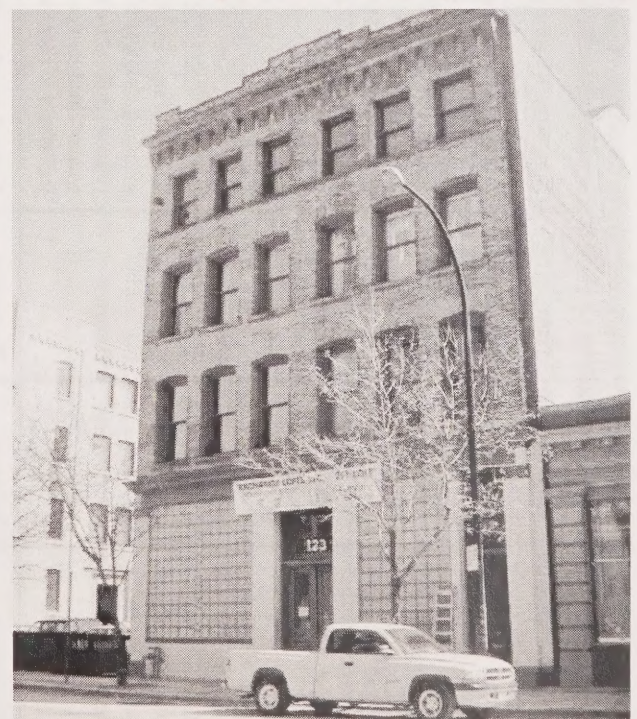


Table 1: Summary of Municipal Initiatives

Type/Setting of Intensification	Municipality	Title	Description	Implementation Date	Results	Agency Type	Initiative Type
Suburban infill	Richmond, BC	Single Family Lot size Policy Process	The process allows suburban lots to be split into two lots by setting an area-wide policy with considerable input from affected property owners.	1989	522 new suburban lots have been created over the lifetime of the policy.	Municipal	Regulatory
Urban infill	North Vancouver, BC	Marketing of City-owned Properties	City-owned lands in a former industrial area are marketed, rezoned and tendered out by the City for redevelopment by private developers. A new neighbourhood is emerging.	1998	Two projects completed with a total of 114 housing units and another project of 266 units currently underway. Potential for 1200 units in total.	Municipal	Planning process
Neighbourhood infill and redevelopment	Calgary, AB	Planning Mediation Program	Aids City staff and Councillors in managing land use and development related conflicts by allowing the use of trained third party contract mediators and facilitators in resolving disputes.	1998	Several (including larger and smaller) intensification projects have gone ahead after successful mediations.	Municipal	Planning process
Downtown revitalization	Saskatoon, SK	Downtown Housing Incentives	Original program provided a tax abatement that is phased in over five years (100% exemption for first year; 80% for 2 nd year; and so on) for new rental housing in the downtown, and a 50% rebate of the building permit fees on the residential portion of any new development in the downtown.	First implemented in 1999 and modified in 2002 to a 100% tax exemption for five years to apply to all housing not targeted to specific types of residents (such as seniors).	Two projects with a total of 104 rental units.	Municipal	Financial
Downtown revitalization	Winnipeg, MB	CentreVenture Development Corporation	Provides public assets to a privately managed, arms-length body with authority to transact deals, provide incentives, do land assembly, and lobby for changes in policies. It focuses on revitalizing the downtown area of Winnipeg, including the stimulation of housing construction, through loans, loan guarantees, and tax credits as well as non-financial means.	1999. Program was renewed and expanded in 2002.	To date, CentreVenture has provided financial support to four separate residential or mixed-use projects for a total of 77 units.	Private-public partnership created by municipality	Financial
Brownfield redevelopment	Cambridge, ON	Contaminated Sites Grant Program	Grants of up to 100% of restoration costs for all new development on contaminated properties in the core areas (up to a maximum of \$1,500 per residential unit and/or \$10 per square metre of gross floor area).	1999. In 2001, the amount payable was increased to 100% of restoration costs, up to a maximum of \$1,500 per residential unit.	One project has been awarded a grant under the program, involving 82 townhouse units that have been constructed or are nearing completion. A further 138 apartment units are planned as a second phase of this project.	Municipal	Financial

Summary of Municipal Initiatives continued

Type/Setting of Intensification	Municipality	Title	Description	Implementation Date	Results	Agency Type	Initiative Type
Adding accessory apts. in low-density residential areas.	Guelph, ON	Accessory Apartments Policy	Official plan and zoning by-law changes permitted accessory units as of right in all low-density areas of the city. Registration process was made simple and free.	1994-95	An average of 75 new accessory apartments built and registered per year, for a total of 600 units since 1995	Municipal	Regulatory
Adaptive re-use, redevelopment and infill in 2 downtown industrial areas	Toronto, ON	The "Kings Regeneration" Initiative	A relaxation of planning and zoning requirements in two former industrial areas near downtown Toronto. The flexible zoning in these districts permits almost any residential, live/work, commercial and light industrial use.	1996	Eighty-six development projects are either built, under construction or are being planned in the two areas. Once built out, these projects will add 7,040 housing units.	Municipal	Regulatory
Downtown revitalization	Ottawa, ON	Exemption from Planning and Development Fees	Residential development in the downtown area is exempt from development charges, building permit fees, planning application fees and the requirement to pay for parkland.	Original program established 1994, expanded in 2000 and again in 2002.	64 housing projects and about 4,300 units either built, under construction, or in the approvals process in the downtown area.	Municipal	Financial
Brownfield redevelopment	Montréal, QC	Urban Contaminated Sites Rehabilitation Program - Revi-sols	Revi-sols was designed to spur revitalization of urban areas through the rehabilitation of contaminated sites with strong potential for re development. The program contributes 50% of the eligible clean-up costs.	1998, modified in 2000, renewed in 2002.	Since 1998, 132 development projects in Montreal have had their site clean-up costs subsidized through the Revi-sols program. Of this number, 58 projects have included residential uses for a total of 5,624 dwelling units built, under construction or in the planning pipeline.	Provincial program delivered through municipality	Financial
Neighbourhood adaptive re-use, infill and redevelopment	Québec City	Development and Revitalization Fund	The City of Quebec, first operating through a non-profit municipal corporation and then directly through its own housing department, has provided financial assistance in the form of loans, loan guarantees, and subsidies to property owners in the central area in order to stimulate development, including the improvement and expansion of the housing stock.	1991. Revised in 2000 and expanded in 2002.	Since 1991, 555 residential units have been created through new construction, conversion of non-residential or extensive renovation of existing residential buildings.	Municipal	Financial
Waterfront infill and redevelopment	Halifax, NS	Waterfront Development Corporation	The corporation owns significant waterfront on Halifax Harbour and oversees its planning and development. It has helped transform the waterfront from a desolate area into a vibrant mixed-use destination and living area.	1976	609 residential units have been built and a further 150 are now under construction with more being planned over the next five years.	Provincial crown corporation working in collaboration with municipality	Planning process

- **Provincial policies enable or support local initiatives**—The success of most of the initiatives described in this report depended on the existence of suitable provincial policies or programs. This could take the form of provincial legislation setting out regulatory requirements (e.g., environmental quality acts governing the clean-up of contaminated sites) enabling legislation (e.g., that provided municipalities with the legal authority to offer incentives) or provincial funding programs. Even with supportive provincial policies, intensification must also be supported by municipal planning, zoning, approvals and council decisions.
- **Monitoring can consolidate support for a program**—Almost all of the initiatives described here were closely monitored to track impacts on the ground. Having data to illustrate the success of the measures in achieving the policy goals helped consolidate support for the measures and contributed to their renewal by council or provincial decision-makers and, in some cases, provided arguments for expanding the geographical scope of the measures.

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Research Report: Residential Intensification Case Studies:
Municipal Initiatives

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